



HOUSE OF REPRESENTATIVES

HB 2643

PSPRS; CORP; EORP; administration changes

Prime Sponsor: Representative Olson, LD 25

X Committee on Government and Higher Education

Caucus and COW

House Engrossed

OVERVIEW

HB 2643 makes the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP) alternate contribution rate (ACR) employer specific rather than an aggregate of the total required contribution.

PROVISIONS

1. Specifies that the ACR paid by a PSPRS or CORP employer on behalf of a retired member who returns to work is equal to the portion of the *individual employer's* total required contribution applied to the amortization of the unfunded actuarial accrued liability for the Fiscal Year (FY).
2. Stipulates that a member who retires having met all the qualifications for retirement and who subsequently becomes an elected official is not considered reemployed by the same employer.
3. Makes technical and conforming changes.

CURRENT LAW

The ACR paid by a PSPRS or CORP employer on behalf of a retired member who returns to work is equal to the portion of the total required contribution applied to the amortization of the unfunded actuarial accrued liability for the FY beginning July 1, based on the actuarial calculation of the total required contribution for the preceding FY ending June 30. The ACR must be applied to the compensation, gross salary or contract fee of a retired member. For PSPRS, the ACR is prohibited from being less than 8% in any FY and for CORP, the ACR is prohibited from being less than 6% in any FY (A.R.S. §§ [38-843.05](#) and [38-891.01](#)).

PSPRS and CORP are “agent multiple-employer” plans where employers pool assets for investment purposes but retain their own individual obligations (liabilities). Actual funded status and employer rates vary across the plan.